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0100078026

December 30, 1993

Hon. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, DC 20423

RECORDATION NO 17805-B

DEC 30 1993 -10 45 AM

INTERSTATE COMMERCE COMMISSION

LICENSING BRANCH

Dec 30 10 45 AM '93

RECEIVED
OFFICE OF THE
SECRETARY

Dear Secretary Strickland:

Enclosed are the originals and one copy each of the counterparts of the document described below, to be recorded pursuant to section 11303 of Title 49 of the U.S. Code.

This document is the First Amendment to Chattel Mortgage and Security Agreement, a secondary document, dated December 21, 1993.

The primary document to which this is connected is recorded under Recordation No. 17805.

The names addresses of the parties to the document are as follows:

The Mortgagor is Laurinburg and Southern Railroad Company, P.O. Box 1929, Laurinburg, NC 28353.

The Mortgagee is Greyhound Financial Corporation, Dial Tower, Phoenix, AZ 85077.

A description of the six locomotives covered by the document follows:

GM S/N 58-F-16 SW9 EMD
1957 NW-2 (LRS 818) S/N 5749
1945 SW-1 (LRS 824) S/N 5-9744
1951 SW-1 (LRS 825) B/N K 5011858
1951 SW-1 (LRS 826) S/N 51-F-213
1952 SW-1 (LRS 832) S/N 78 B 3-5002

A fee of ten dollars (\$10.00) is enclosed. Please return the original and any extra copies not need by the Commission for recordation to the undersigned.

*Overseer
m. k. k.*


Hon. Sidney L. Strickland, Jr.
December 30, 1993
Page Two

A short summary of the document to appear in the index follows: First Amendment to Chattel Mortgage and Security Agreement between Laurinburg and Southern Railroad Company of Laurinburg, NC, Mortgagor, and Greyhound Financial Corporation of Phoenix, AZ, Mortgagee, with Recordation No. 17805, dated December 21, 1993, and covering six locomotives.

Very truly yours,,

LAURINBURG AND SOUTHERN RAILROAD COMPANY

By its attorney,


Fritz R. Kahn

enc.

cc: Richard L. Mack, Esq.
Randall S. Dalton, Esq.
Mr. Murphy Evans

FIRST AMENDMENT TO CHATTEL MORTGAGE
AND SECURITY AGREEMENTDEC 30 1993 - 10 45 AM
INTERSTATE COMMERCE COMMISSION

This First Amendment to Chattel Mortgage and Security Agreement (the "First Amendment") is dated and entered into effective as of December 21, 1993, by and between LAURINBURG AND SOUTHERN RAILROAD COMPANY, a North Carolina corporation ("Mortgagor") and GREYHOUND FINANCIAL CORPORATION, a Delaware corporation ("Mortgagee")

RECITALS:

WHEREAS, Mortgagor, together with Yadkin Valley Railroad Company, Robeson County Railroad Corporation and Nash County Railroad Corporation, as Borrower (collectively "Borrower"), and Mortgagee, as Lender, entered into a certain Loan and Security Agreement ("Loan Agreement"), dated as of May 19, 1992, providing for the Loan by Lender to Borrower of the sum of \$4,250,000. All capitalized terms not expressly defined herein shall have the meaning set forth in the Loan Agreement,

WHEREAS, pursuant to the Loan Agreement and to secure Borrower's obligation to repay the Loan, Mortgagor and Mortgagee entered into that certain Chattel Mortgage and Security Agreement (the "Mortgage") dated May 19, 1992, which Mortgage was recorded with the Interstate Commerce Commission on May 26, 1992 at File No. 17805, and

WHEREAS, pursuant to the Mortgage, Mortgagor, inter alia, mortgaged unto Mortgagee and granted to Mortgagee a security interest in the collateral described therein, including, without limitation, any railroad cars and locomotives then owned or thereafter acquired by Mortgagor; and

WHEREAS, on the Closing Date under the Loan Agreement, Borrower received a partial disbursement of the Loan proceeds and is entitled to disbursement of certain or all of the Remaining Proceeds for the purposes described in the Loan Agreement upon Borrower's satisfaction of certain conditions set forth therein,

WHEREAS, Borrower has requested that the Mortgagee disburse certain or all of the Remaining Proceeds to reimburse Borrower for the cost of acquiring six additional locomotives (the "Additional Cars") and to reimburse Borrower for costs incurred in rehabilitating the Nash Line,

WHEREAS, Mortgagee has agreed to advance certain or all of the Remaining Proceeds on the condition that Borrower satisfy all the conditions precedent thereto contained in the Loan Agreement and on the condition that Mortgagor grant Mortgagee a first priority security interest in the Additional Cars, and

WHEREAS, Mortgagor and Mortgagee desire to amend the Mortgage to include the Additional Cars within the definition of "Cars" in the Mortgage.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants hereafter stated, the parties hereto do hereby amend the Mortgage, as follows

1 Additional Cars The Mortgage is hereby amended to include the following Additional Cars within the railroad cars listed on Exhibit "A" annexed thereto and from and after the date hereof, all references in the Mortgage to "Cars" shall include the following Additional Cars

GM S/N 58-F-16 SW9 EMD
1957 NW-2 (LRS 818) S/N 5749
1945 -1 (LRS 824) S/N 5-9744
1951 SW-1 (LRS 825) B/N K 5011858
1951 SW-1 (LRS 826) S/N 51-F-213
1952 SW-1 (LRS 832) S/N 78 B 3-5002

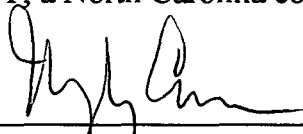
2 Reaffirmation All of the representations and warranties contained in the Mortgage are hereby reaffirmed and are true and correct on and as of the date hereof

3 Effect as an Amendment All terms, conditions and provisions of Mortgage are continued in full force and effect and shall remain unaffected and unchanged except as specifically amended or modified hereby.

4 Counterparts This First Amendment may be executed in any number of separate counterparts, each of which shall constitute an original notwithstanding the fact that all parties have not signed the same counterpart

IN WITNESS WHEREOF, this Amendment has been executed effective as of the day, month, and year first above written.

LAURINBURG AND SOUTHERN RAILROAD
COMPANY, a North Carolina corporation

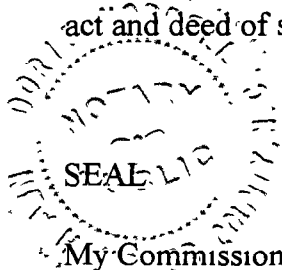
By: 
Name: Murphy Evans
Title: President

GREYHOUND FINANCIAL CORPORATION, a
Delaware corporation

By: _____
Name
Title

STATE OF North Carolina
) ss
County of New Hanover)

On this 23 day of December, 1993, before me personally appeared Murphy Evans, to me personally known, who being by me duly sworn, says that he is the President of Laurinburg and Southern Railroad Company, a North Carolina corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation



Donis Honnell

Signature of Notary Public

STATE OF _____)
) ss.
County of _____)

On this _____ day of December, 1993, before me personally appeared _____, to me personally known, who being by me duly sworn, says that [he/she] is the _____ of Greyhound Financial Corporation, a Delaware corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and [he/she] acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Signature of Notary Public

SEAL

My Commission Expires

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants hereafter stated, the parties hereto do hereby amend the Mortgage, as follows

1 Additional Cars The Mortgage is hereby amended to include the following Additional Cars within the railroad cars listed on Exhibit "A" annexed thereto and from and after the date hereof, all references in the Mortgage to "Cars" shall include the following Additional Cars

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2 Reaffirmation All of the representations and warranties contained in the Mortgage are hereby reaffirmed and are true and correct on and as of the date hereof

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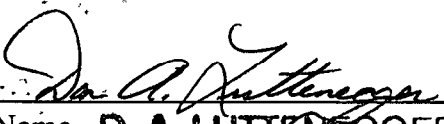
4 Counterparts This First Amendment may be executed in any number of separate counterparts, each of which shall constitute an original notwithstanding the fact that all parties have not signed the same counterpart

IN WITNESS WHEREOF, this Amendment has been executed effective as of the day, month, and year first above written

LAURINBURG AND SOUTHERN RAILROAD
COMPANY, a North Carolina corporation

By _____
Name: Murphy Evans
Title: President

GREYHOUND FINANCIAL CORPORATION, a
Delaware corporation

By  _____
Name: D. A. LUTTENEGGER
Title: Vice President-Credit

STATE OF _____)
) ss
County of _____)

On this _____ day of December, 1993, before me personally appeared Murphy Evans, to me personally known, who being by me duly sworn, says that he is the President of Laurinburg and Southern Railroad Company, a North Carolina corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Signature of Notary Public

SEAL

My Commission Expires

STATE OF ARIZONA)
) ss
County of Maricopa)

On this 23rd day of December, 1993, before me personally appeared Don A. Luttenegger, to me personally known, who being by me duly sworn, says that [he/she] is the Vice President of Greyhound Financial Corporation, a Delaware corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and [he/she] acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

William M. Namara
Signature of Notary Public

SEAL

My Commission Expires

APRIL 30, 1997